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July 10, 2015

BY ECF AND HAND DELIVERY

Honorable William H. Pauley III
United States District Court Judge
500 Pearl Street, Room 2210
New York, New York 10007-1312

Re: *In Re: Platinum and Palladium Commodities Litig.*, 10-cv-3617 (WHP) (S.D.N.Y.)

Dear Judge Pauley:

As an attorney for the Futures Plaintiffs (“Plaintiffs”), I am respectfully submitting this letter regarding the Court’s July 7, 2015 Memorandum & Order which awarded Lovell Stewart Halebian Jacobson LLP (“Lovell Stewart”) and other Futures Class Counsel certain attorneys’ fees and expense reimbursements payable from the common funds created by Plaintiffs’ settlements with: (1) the Moore Defendants and Defendant Joseph Welsh (“Moore Settlement”) [Dkt. No. 163-1]; and (2) Defendant MF Global, Inc. (“MF Settlement”) [Dkt. No. 230-1].

Almost all of the common funds for the two settlements have been deposited into interest bearing Court Registry Investment System (“CRIS”) accounts and any withdrawals of these funds require a written Order by this Court. *Compare* Dkt. Nos. 214, 248, 249, 310 *with* Dkt. Nos. 212, ¶27; 245, ¶¶25-26.¹ Accordingly, Plaintiffs respectfully request that the Court enter the enclosed [Proposed] Order which directs the Clerk of the Court to disburse monies from the Court registry in order to satisfy the Court’s award of attorneys’ fees and reimbursement of expenses to Futures Class Counsel. As explained below, the [Proposed] Order provides for disbursement of attorneys’ fees from the common funds that are currently available in an amount that is less than the \$16,312,500 awarded by the Court.

The Court’s July 7, 2015 Memorandum & Order awarded Futures Class Counsel “[a] attorneys’ fees of \$16,312,500, representing 22.5% of the Futures Class common fund, and [b] an expense reimbursement of \$704,294.50.” Dkt. No. 312, p. 9. In footnote 7 of the Court’s Memorandum & Order, the Court recognized that “[t]he size of the common fund may change slightly depending on certain contingencies in the MF Global Settlement, which would yield a concomitant change in attorneys’ fees.” *Id.*, fn. 7.

As Plaintiffs previously detailed in their letter to the Court dated July 6, 2015, the size of the net common fund in respect of the Moore Settlement is \$49,150,000 plus interest. Dkt. No. 311, p. 1. The current size of the common fund in respect of the MF Global Settlement is

¹ Certain limited funds sufficient to provide notice of the two settlements to the Futures Class were previously deposited into escrow accounts at Huntington National Bank. Specifically, \$300,000 was deposited in connection with the Moore Settlement and \$80,000 was deposited in connection with the MF Settlement. Dkt. Nos. 214, p. 2; 249, p. 2.

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\$18,550,142.86 plus interest. *Id.* The MF Global Settlement common fund also includes the remaining \$4,875,928.57 that is owed on Plaintiffs' allowed general creditor claim against the estate of MF Global, Inc. *Id.*

Based upon (a) the Court's award of attorneys' fees in the amount of 22.5% of the common funds, (b) the above referenced dollar amounts associated with the common funds for the two settlements, and (c) the Court's approval of reimbursement of expenses in the amount of \$704,294.50, the [Proposed] Order provides for disbursement of \$15,936,826.64 from the Court registry to Lovell Stewart.² A breakdown of the foregoing disbursement is set forth below:

- \$11,058,750 of the above disbursement represents 22.5% of the \$49,150,000 common fund associated with the Moore Settlement.
- \$4,173,782.14 of the above disbursement represents 22.5% of the \$18,550,142.86 cash value of the common fund associated with the MF Settlement.
- \$704,294.50 of the above disbursement represents Futures Class Counsel's expense reimbursement approved by the Court.³

Finally, with respect to the Futures Plaintiffs' remaining \$4,875,928.57 claim against the estate of MF Global, Inc., the [Proposed] Order provides that Lovell Stewart shall notify the Court at such time that any further disbursements are received in respect of such claim. In the event that further proceeds are received, the [Proposed] Order provides for attorneys' fees equal to 22.5% of any such further payments not to exceed a total of \$1,079,967.86. The foregoing limit on any future attorneys' fees will ensure that total attorneys' fees will not exceed \$16,312,500, the amount referenced in the Court's July 7, 2015 Memorandum & Order.

As always, Plaintiffs are available to answer any questions the Court may have. Thank you very much.

Respectfully submitted,
/s/ *Christopher M. McGrath*
Christopher M. McGrath

Enclosure

cc: Counsel of Record (by ECF)

² The [Proposed] Order provides that Lovell Stewart, as Court-appointed sole lead counsel for the Futures Class, shall be responsible for allocating and distributing the attorneys' fees and expenses among Futures Class Counsel.

³ As set forth in the [Proposed] Order, Plaintiffs propose that \$476,948.24 of the total expense reimbursement be attributable to the Moore Settlement and that the remaining \$227,346.26 be attributable to the MF Settlement. The foregoing division of expenses is based upon the relative size of the common funds associated with the two settlements (*i.e.*, 67.72% attributable the Moore Settlement and 32.28% attributable the MF Settlement).